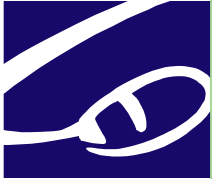




# Harnessing IT as a Service for Social Change

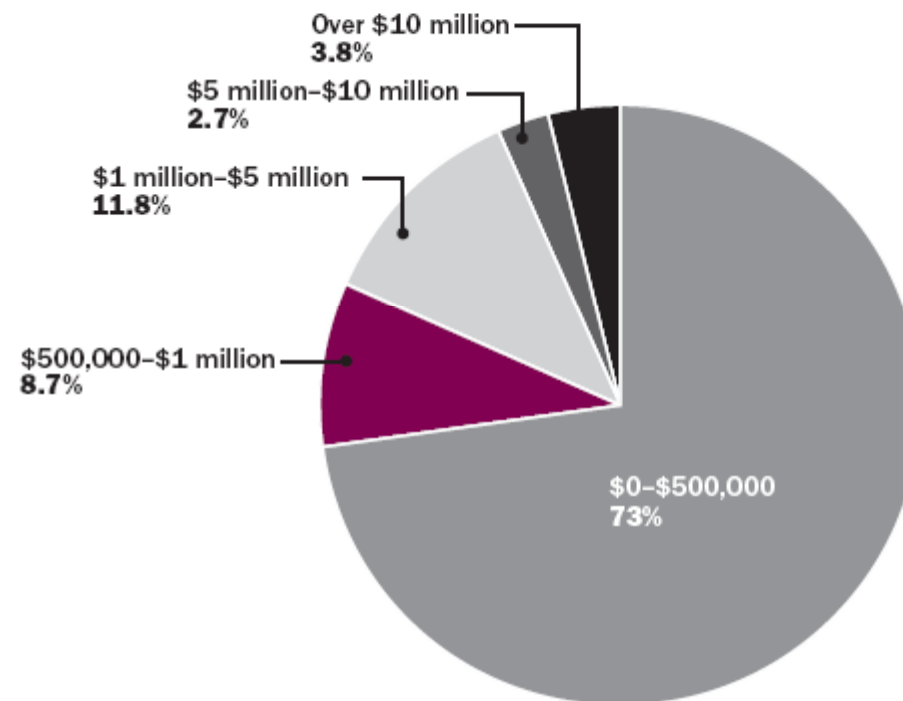
Technology is a Powerful tool.  
Used well, it will help nonprofits work  
smarter, reach higher and provide  
greater services to their constituents  
who need them most.

Putting technology know-how in the hands of Non-Profits



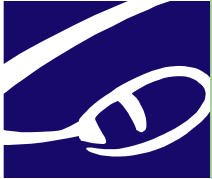
# The Sector: The 1.3 Million Nonprofits in the US by Budget Size

**Table 1.** Breakdown of Charitable Organizations by Budget Size



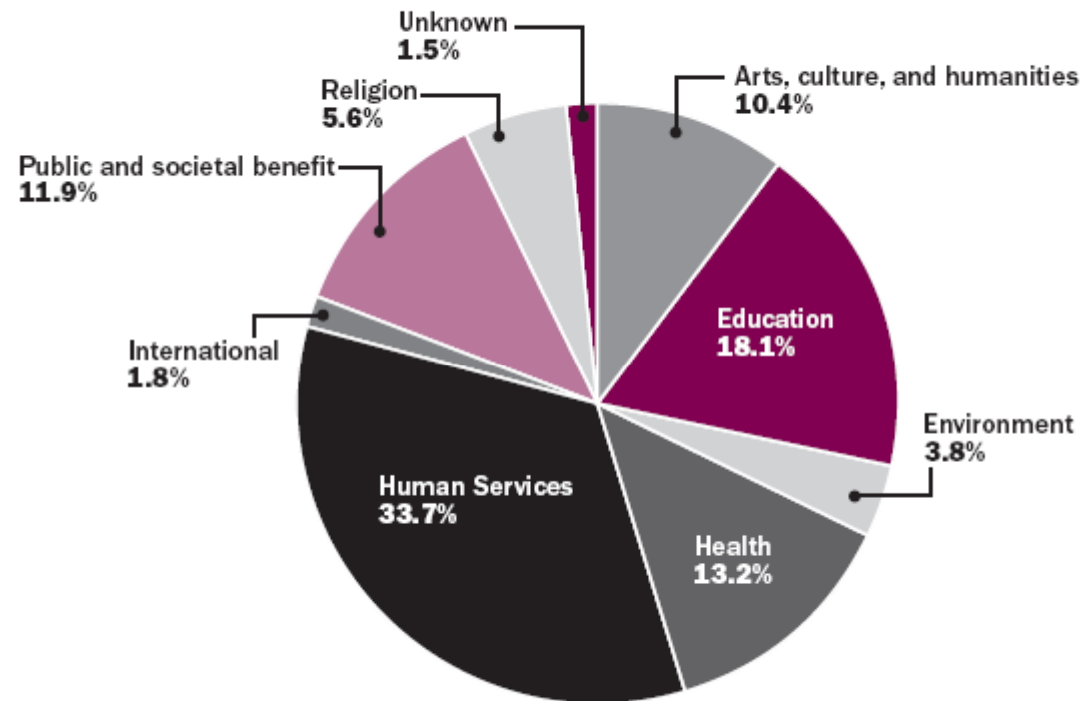
Source: National Center for Charitable Statistics, Urban Institute (2003).



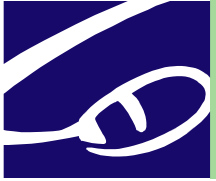


# Breakdown of Sector by Mission

**Table 2.** Breakdown of Charitable Organizations by Mission\*



Source: National Center for Charitable Statistics, Urban Institute (2003).



# Nonprofit Sector Pressures

Increased Accountability from government, funders and other stakeholders leading to increased scrutiny regarding use of public funds.

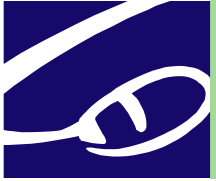
Funders are demanding that nonprofits measure impact, program effectiveness, and return on investment (ROI).

Sporadic investments in IT and training leading to uneven and incomplete IT implementations and inability to maximize software functionality.

Lack of deep bench of staff who understand how to maintain infrastructure and use software applications leads to frustration when knowledgeable staff are away from the office or depart the organization entirely.

Once the IT is in place, nonprofits do not know how to use it to make programs more effective. Only focus on \$ collection & reporting required metrics to funders. Very narrow focus for the investment.





# Nonprofit Sector Pressures

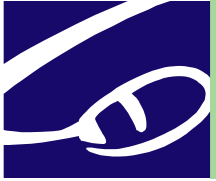
Increasing pressure to provide services more effectively and efficiently.

Donors are looking for more information about how their money is being spent. Want to feel more connected.

Technology investments are being made nonprofit to nonprofit. With little ability to absorb and utilize the technology, millions of dollars are being invested with little or no impact to the sector.

Funders are starting to make larger grants to a smaller number of nonprofits – looking for a bigger bang on organizations with a proven model of success.

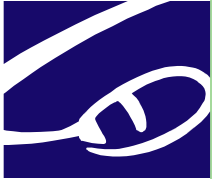




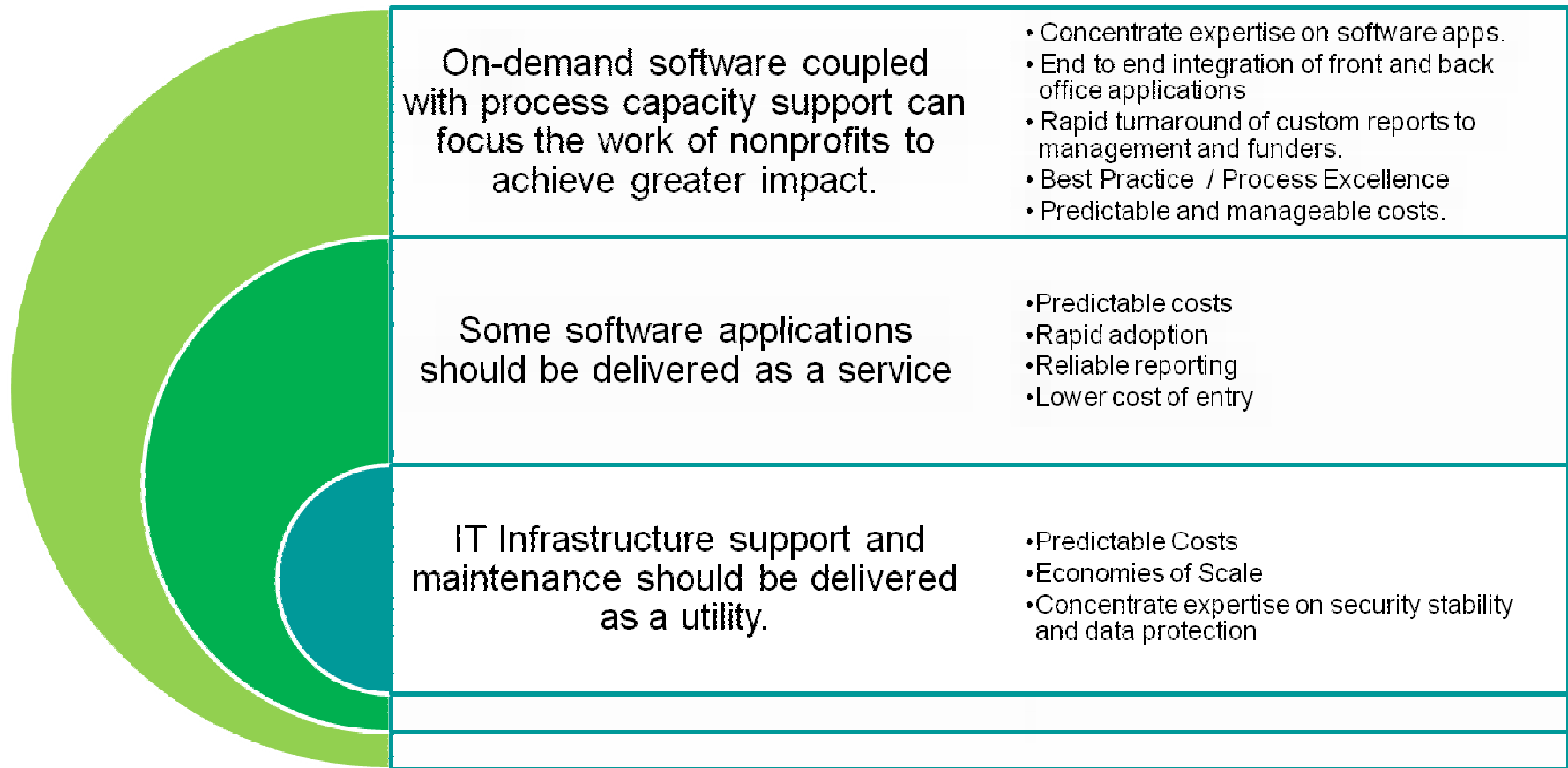
# Maximizing our Return on Investment

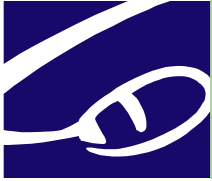
- A staggering 16% of nonprofits that were in existence between the years 1997 and 2002 went out of business\*. If each invested a mere \$10,000 in technology, that means that over \$2 billion was wasted in technology spend.
- We must have solutions that are designed to benefit thousands of nonprofits in an economical and scalable model.
- Many nonprofits are poorly staffed when it comes to IT support and planning, leaving their systems vulnerable and their IT investments underutilized. We must provide the expertise and support of an enterprise-level CIO and IT department at affordable prices
- We believe we must capitalize on our knowledge of and focus on the nonprofit sector to give our corporate partners insight into this important constituency and work to leverage corporate resources to build solutions that are relevant and transformational.





# NPower's Point of View





# Who is NPower?

**NPower** is a **network** of locally based nonprofit organizations providing **affordable technology** assistance to other nonprofit and community organizations. Founded in 1999, the NPower Network today includes twelve local affiliates, who provide a wide range of IT-related services to more than 4,000 nonprofit organizations annually.

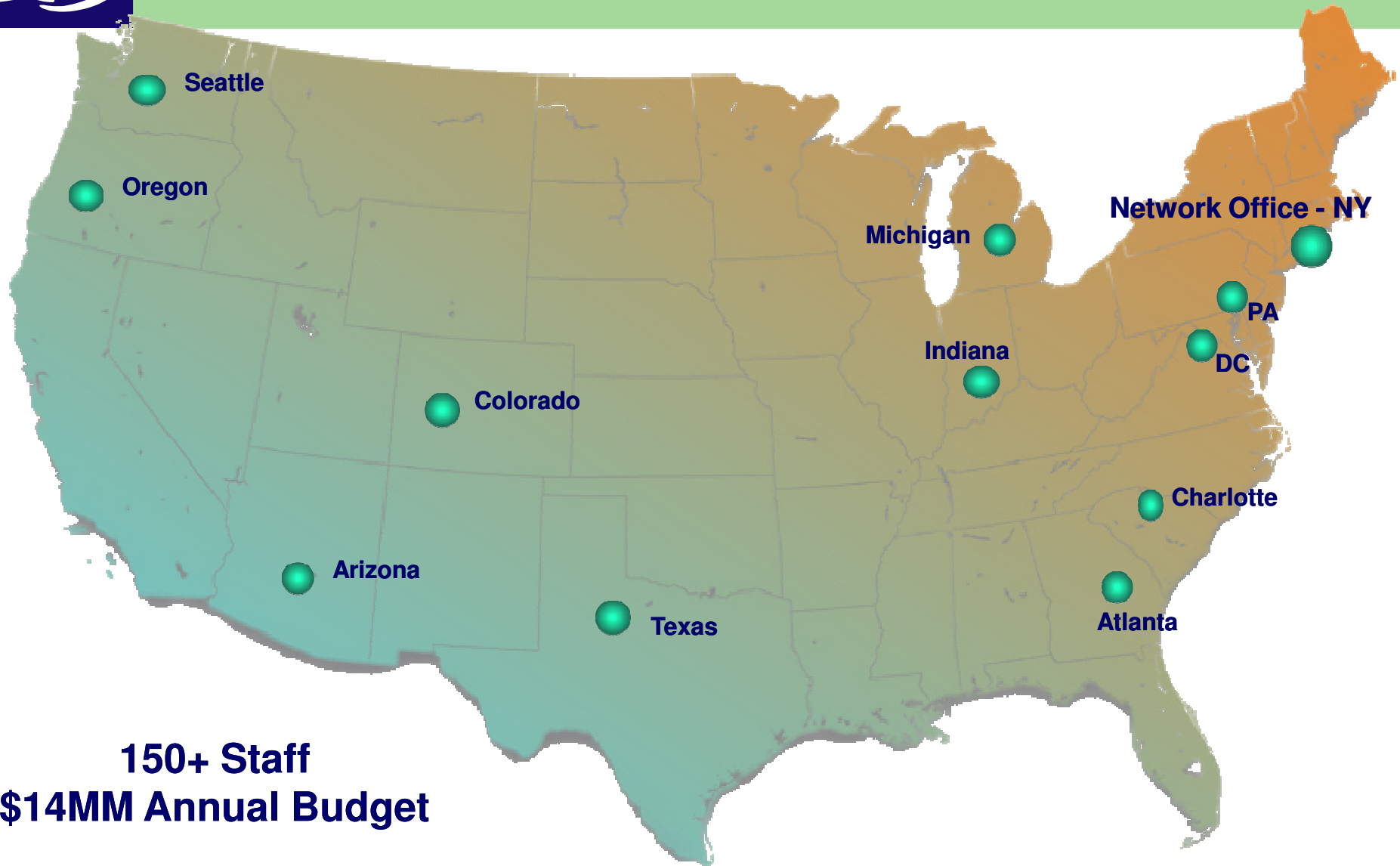
**NPower Network Vision** is a thriving nonprofit sector in which all organizations have **access to the best technology** resources and know-how and can apply these tools to help create healthy, vibrant, thriving communities.





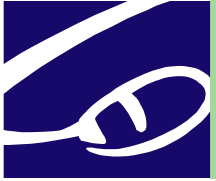


# Our Reach

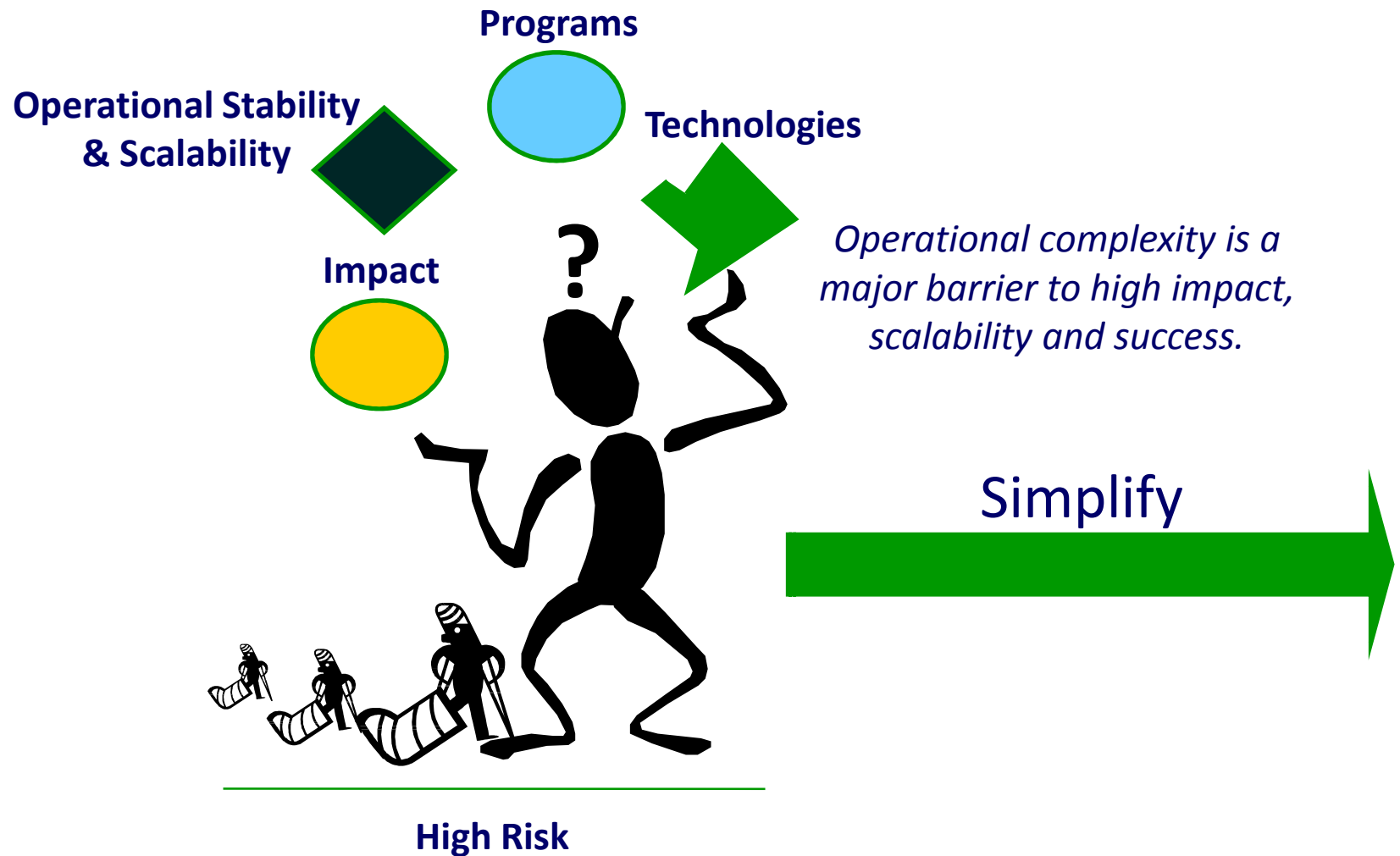


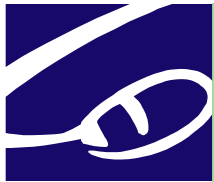
**150+ Staff**  
**\$14MM Annual Budget**



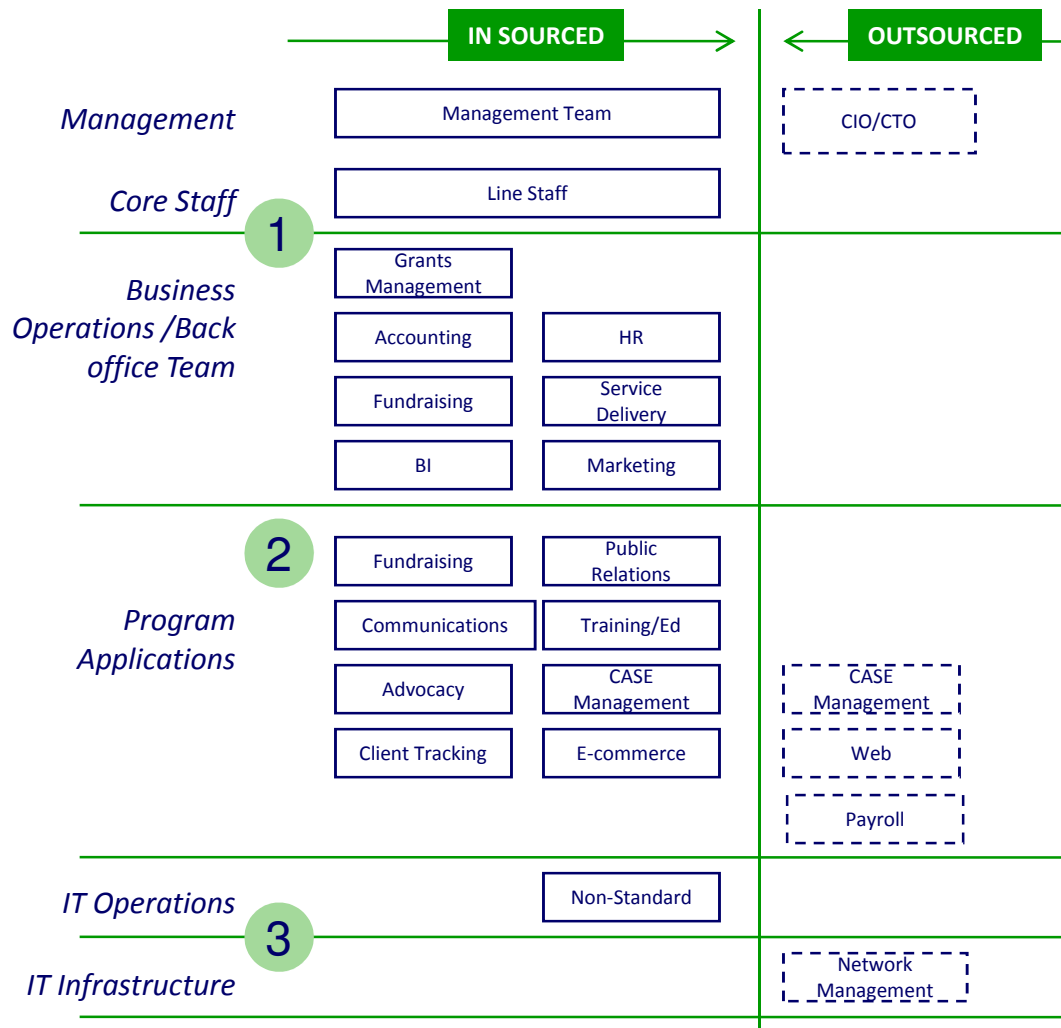


# The Problem Faced by Nonprofits





# The Issues of Operational Complexity are Very Real

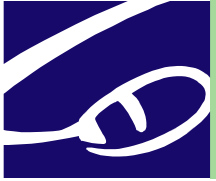


## Why the Current Model is Challenged

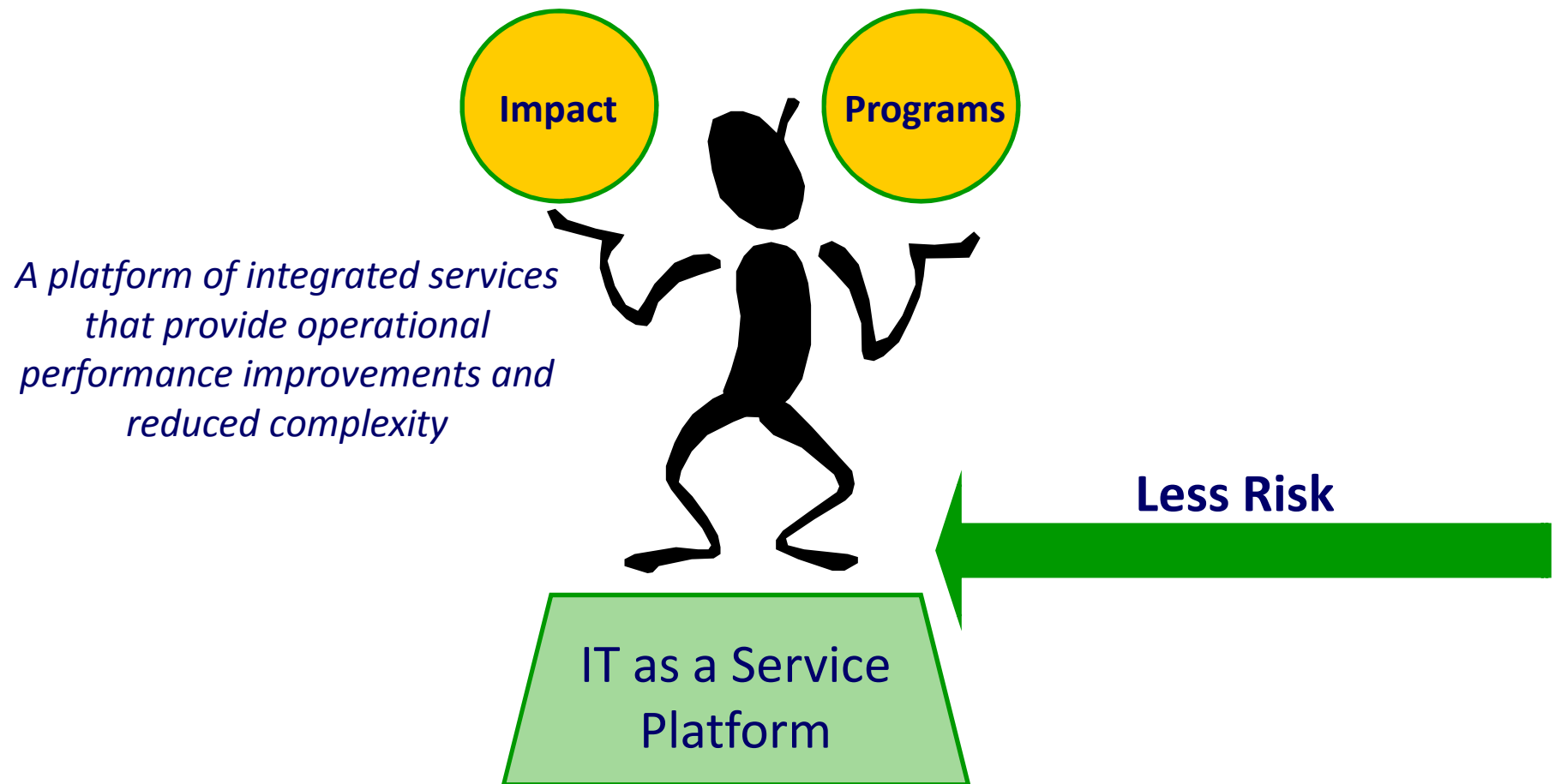
- 1 • Thin resourcing and the high cost of IT solutions force line and management staff to perform multiple back office functions with limited effectiveness.  
  
• Little or no process management capacity is being developed which in turn impacts their Mission effectiveness
- 2 NPO Program/Business Applications are:
  - Disparate
  - Non-integrated
  - Expensive relative to available NPO dollars
  - Budget for training and skills development is episodic versus planned
  - Applications have limited or expensive user support and are often abandoned or under-utilized
- 3 • IT Operations and Infrastructure Management typically consume the bulk of available IT dollars.  
  
• The consequence is that NPOs do not have resources to develop their IT capabilities and competency/

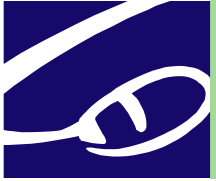
• Increasing trend to outsource these areas





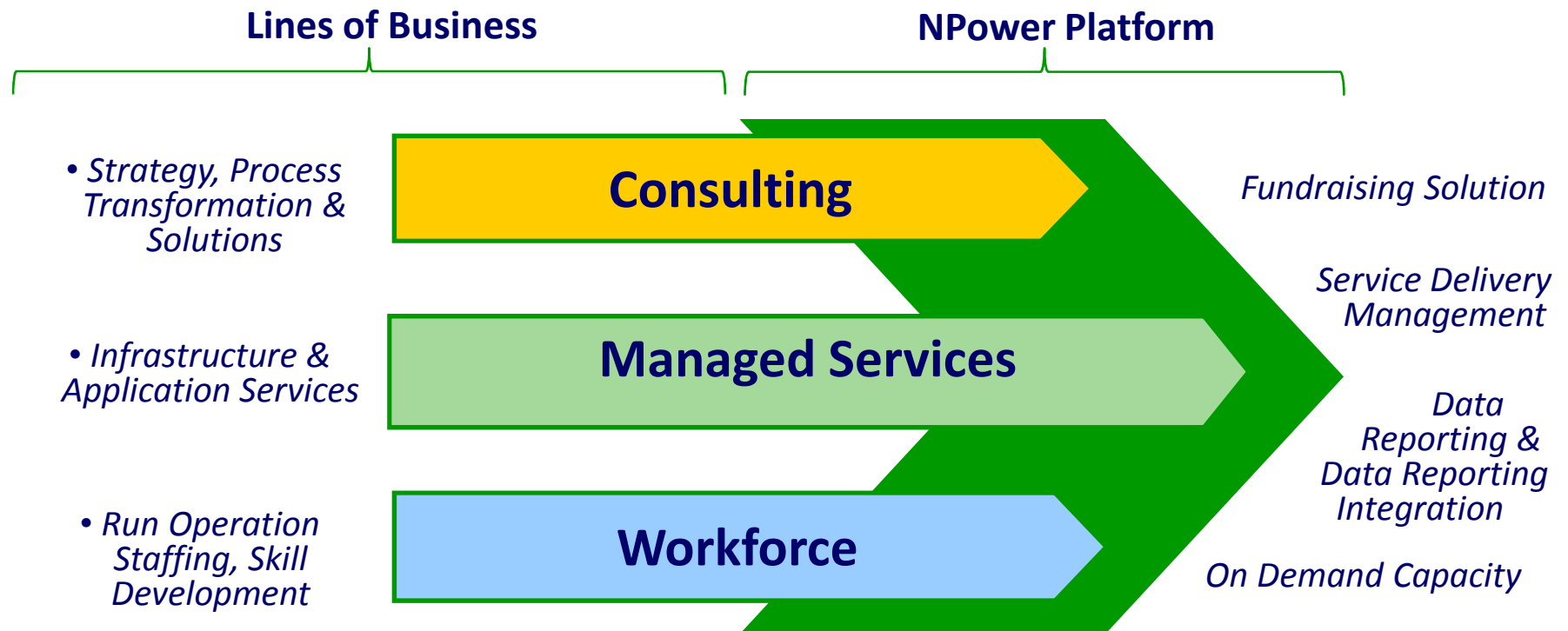
# We believe the solution is...

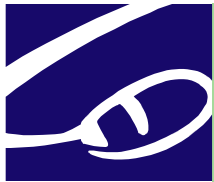




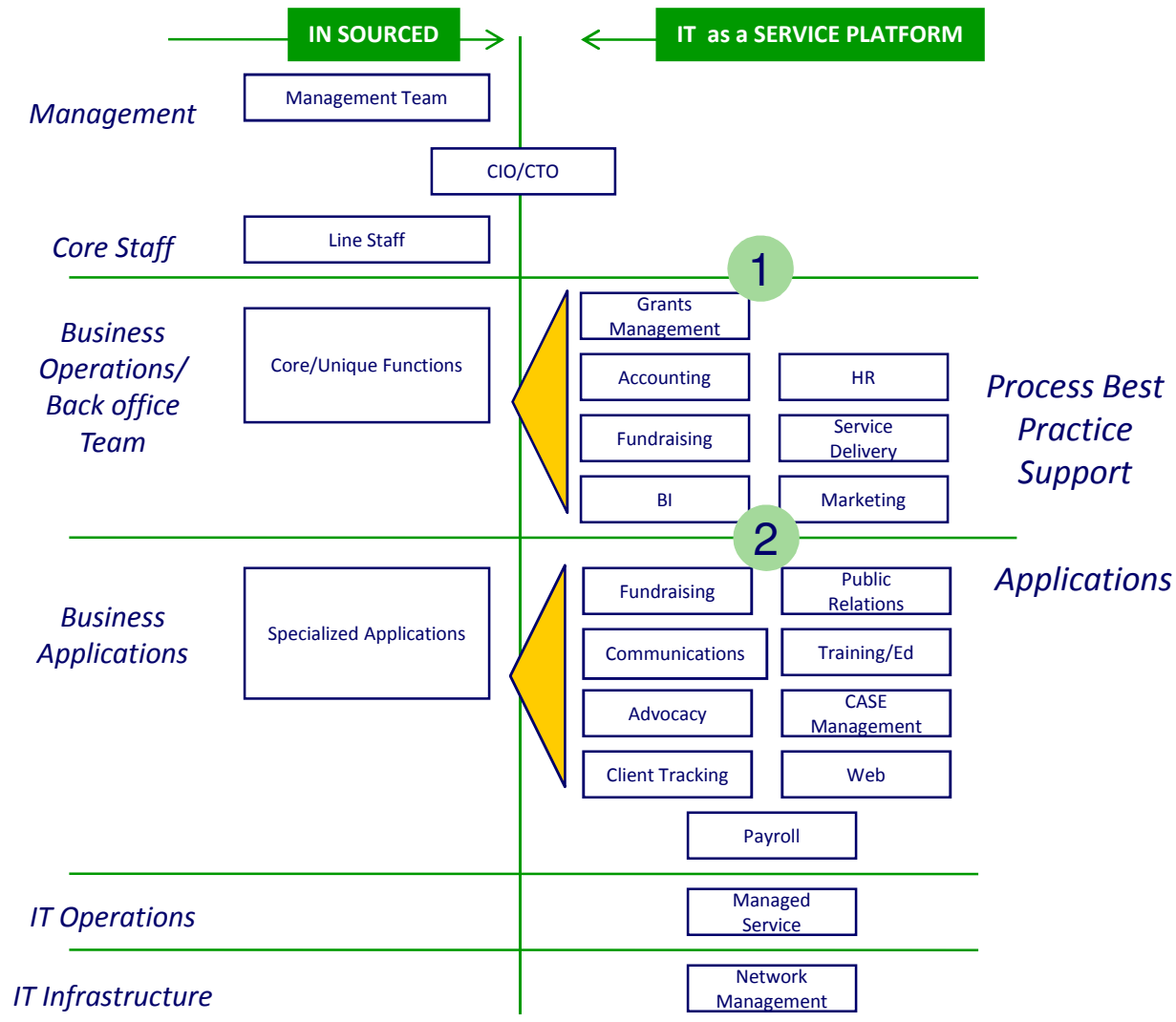
# What is the Platform?

The Platform uses the capabilities of NPower's three lines of business (Consulting, Managed Services & Workforce) to deliver scalable operational capacity in areas such as fundraising, service delivery and analytics.





# NPO Operations Model of the Future is Less Complex

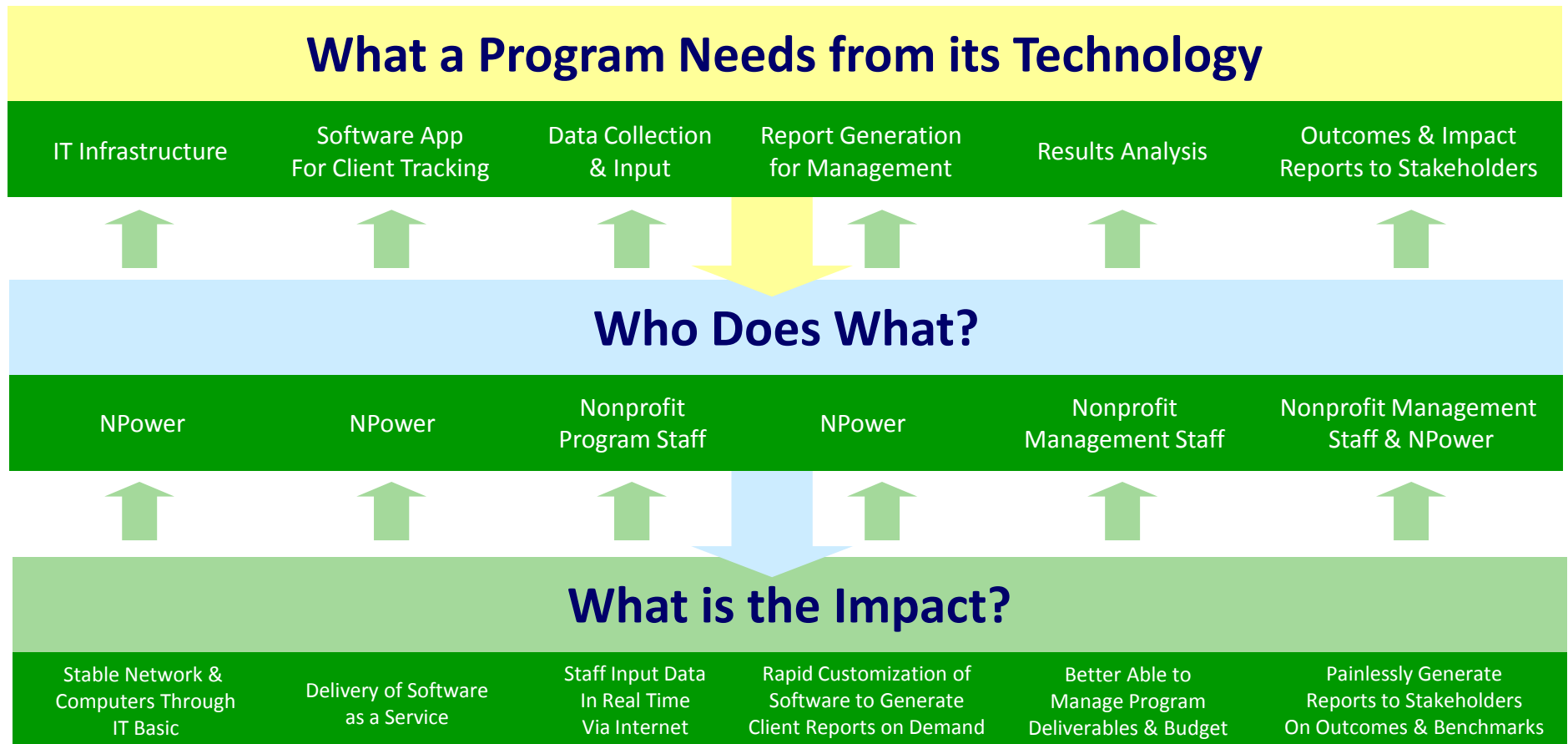


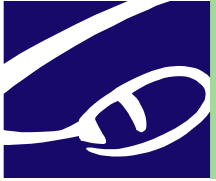
Our vision of the future is one in which complex operational support process and sophisticated tools are delivered to nonprofits as a menu of services.



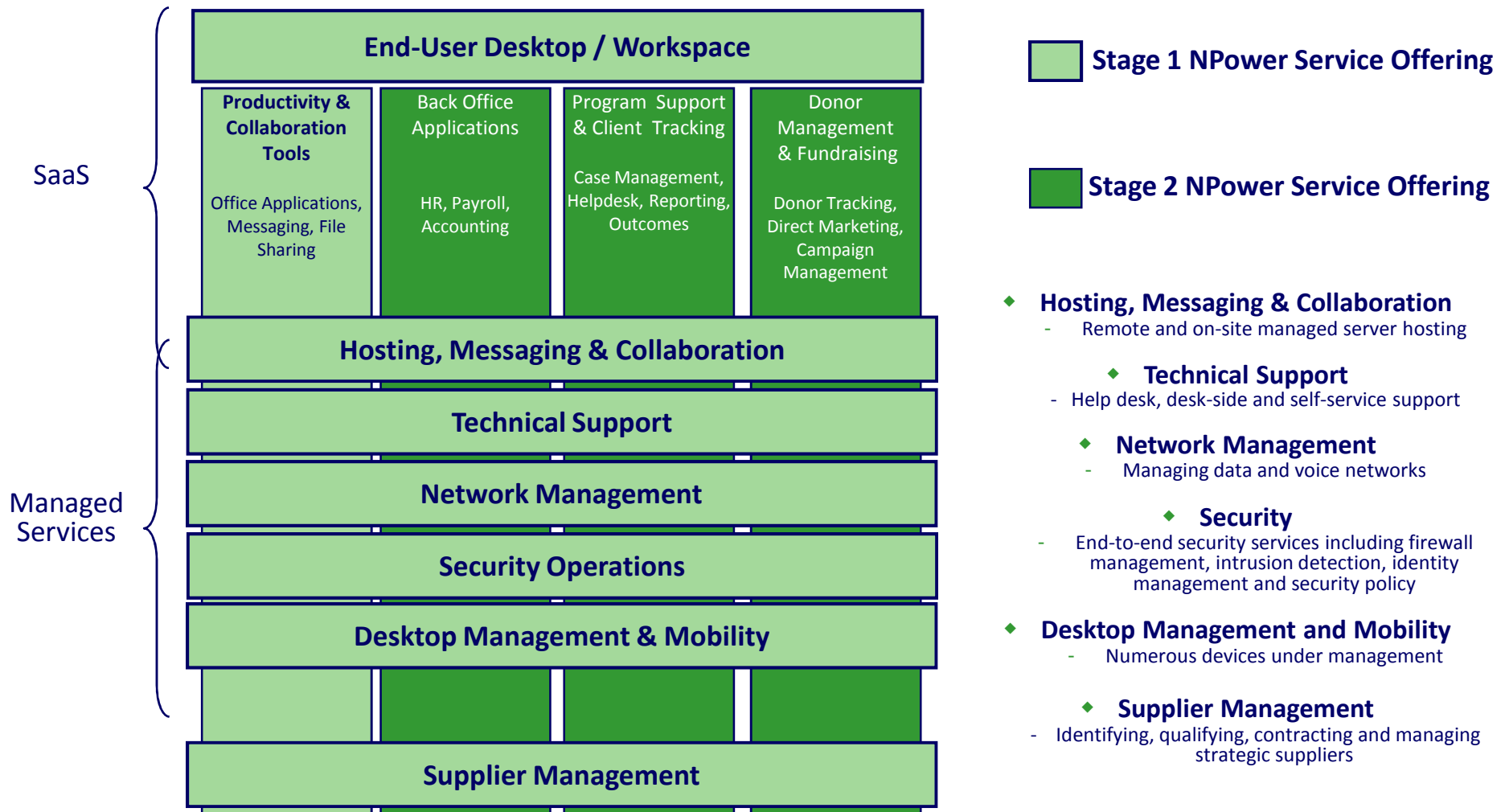


# Service Delivery Example: How the NPower Platform would Support a Nonprofit's Programs





# The Nonprofit Desktop of the Future

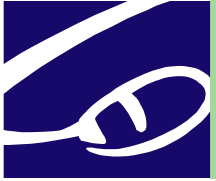






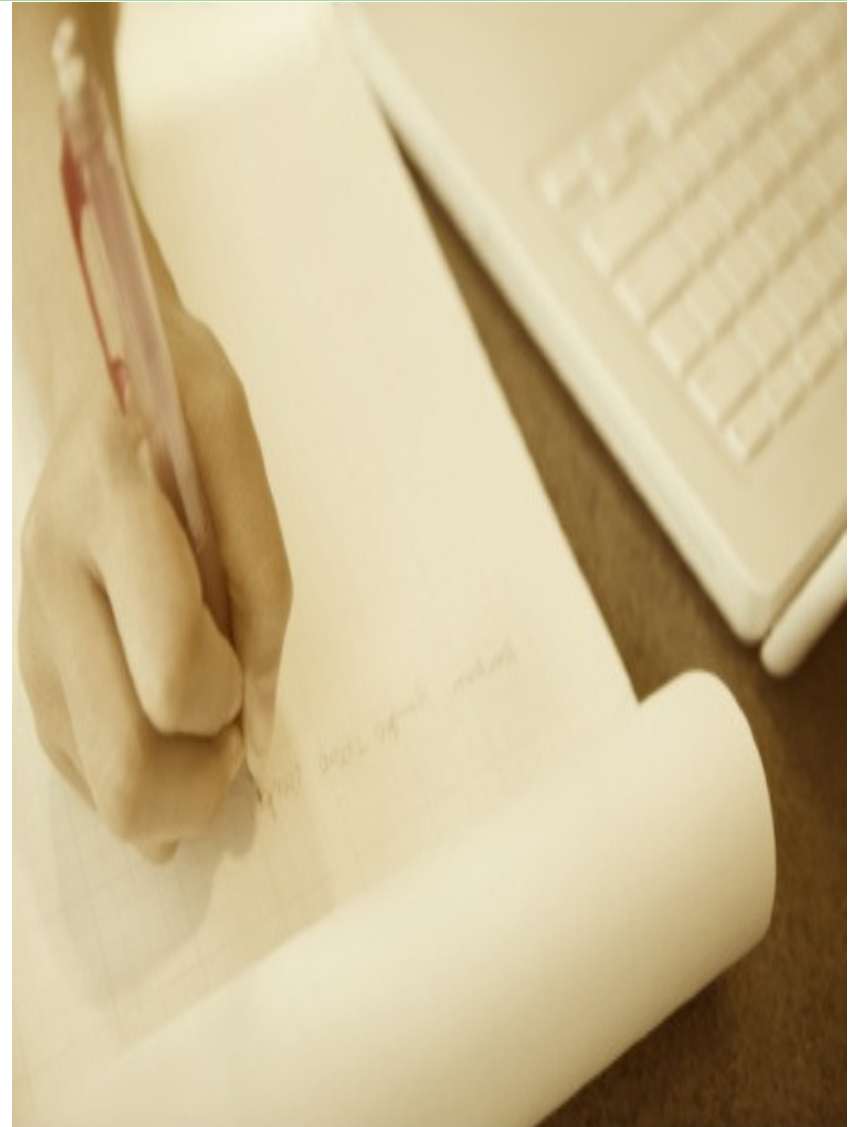
## **Managed Services**

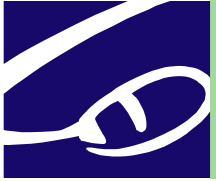
Putting technology know-how in the hands of Non-Profits



# What we have Learned

- Organizations spend 80% of their IT \$ “keeping the lights on”.
- Unintentional overloading and under utilization of servers.
- Organizations are unable to monitor and measure system performance.
- Higher IT personnel turnover at nonprofits.





# Technology Support Challenge

**Industry standards** cited by the **Gartner Group**, Mercer Human Resource Consulting and the Information Technology Association of America recommend IT staffing to employee ratios equal **1 IT professional for every 27 computers supported**.

Therefore, with 12 computers, ABC Nonprofit requires **an IT staff of 1 person** to adequately support staffs' IT needs. IT staff cost would be \$59,000/employee based on average annual salaries provided by the *2006 ComputerWorld Magazine Salary Survey* for nonprofit helpdesk/technical support staff in the New York area.





# Hidden IT Expenditures

## Benefits & Payroll Taxes

According to a recent study conducted by the Chronicle of Philanthropy, the median cost of total staff benefits as a proportion of total salaries was 26 percent. Following our example this raises the IT expenditure to \$74,340.

## Supervisor Salaries

Often times nonprofits do not have the proper staff to adequately supervise and support IT staff.

## Real Estate within Office/Supplies

## Uninformed Decisions

Without an IT background it can be challenging and costly when making IT decisions regarding procurement and staff for the organization.





# Think about your Technology?



How are you spending your IT dollars?

Are you in a regulated sector?

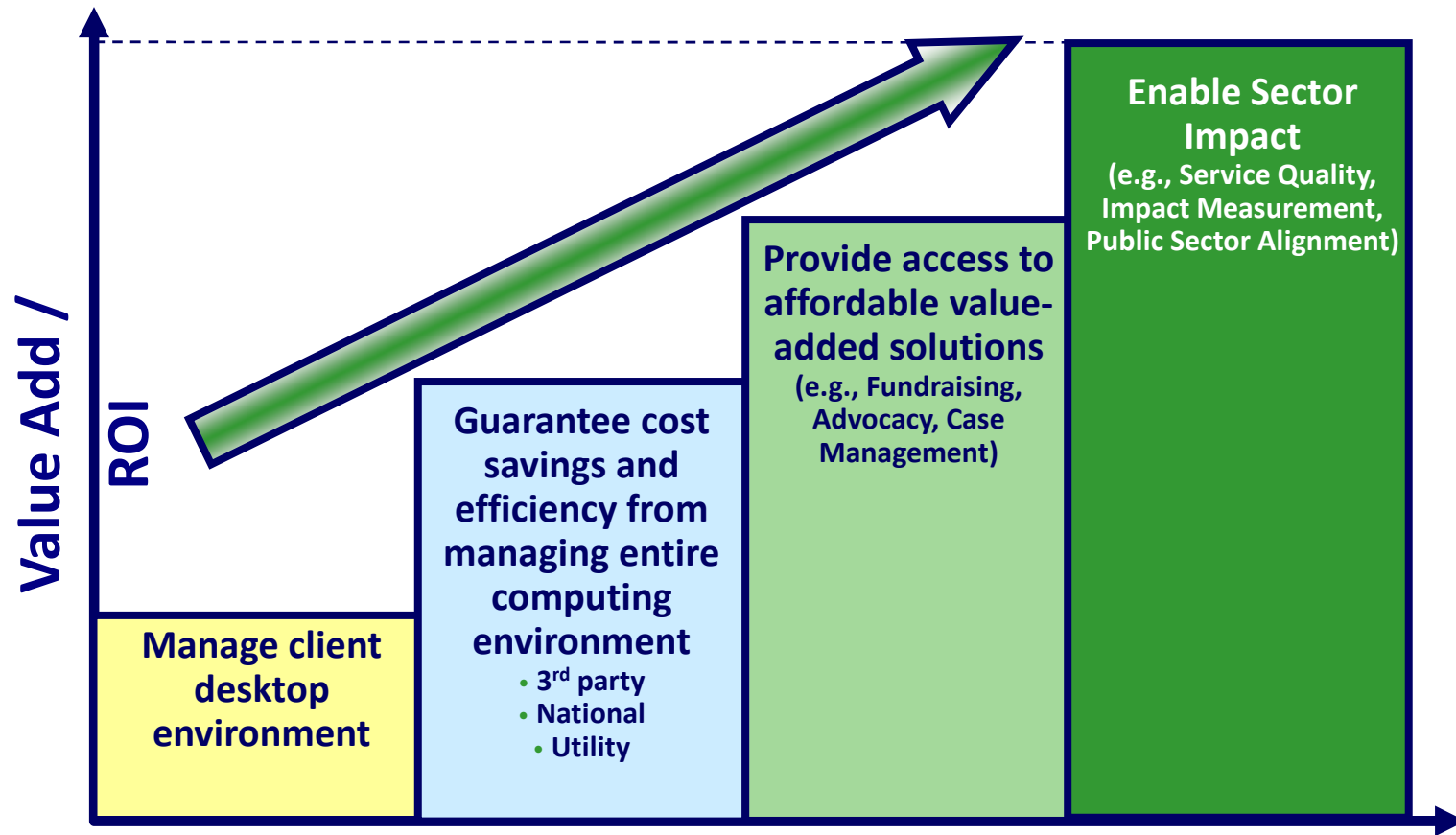
Have you ever suffered a virus or other security issue?

Do you manage mission critical information over your IT?

Where do you get your technology information?

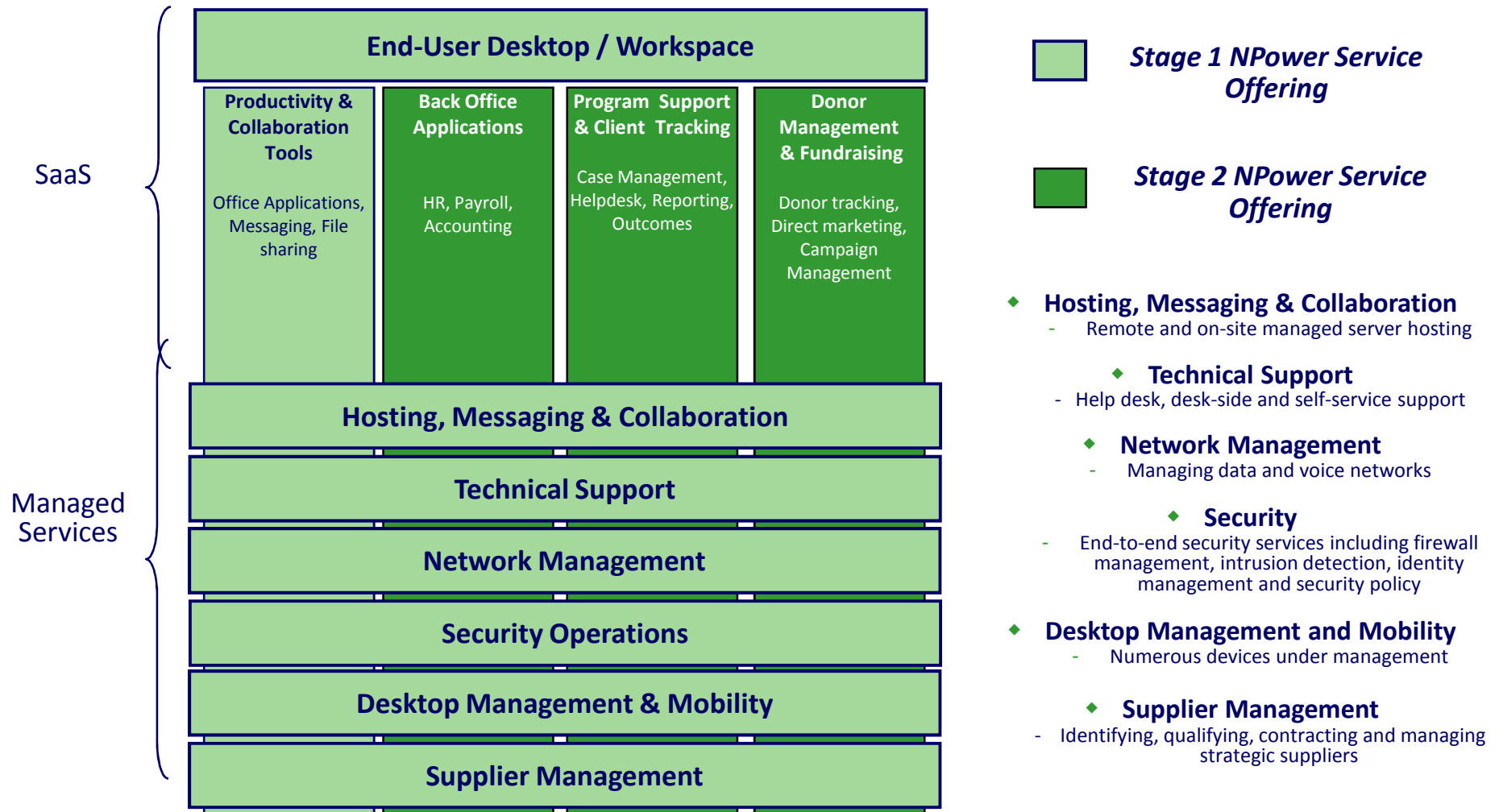


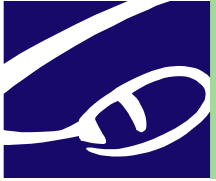
# A Higher Value Service Model and Stronger Relationships with Clients





# The Nonprofit Desktop of the Future





## The Solution

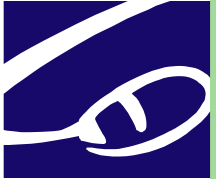


- ✓ Discounted Hardware & Software
- ✓ Remote Monitoring & Management
- ✓ Proactively Spot & Resolve Problems
- ✓ Regular Anti-Virus, Spyware & Operations Software Updates
- ✓ Behind the Scenes Back-Ups
- ✓ Confidential & Compliant

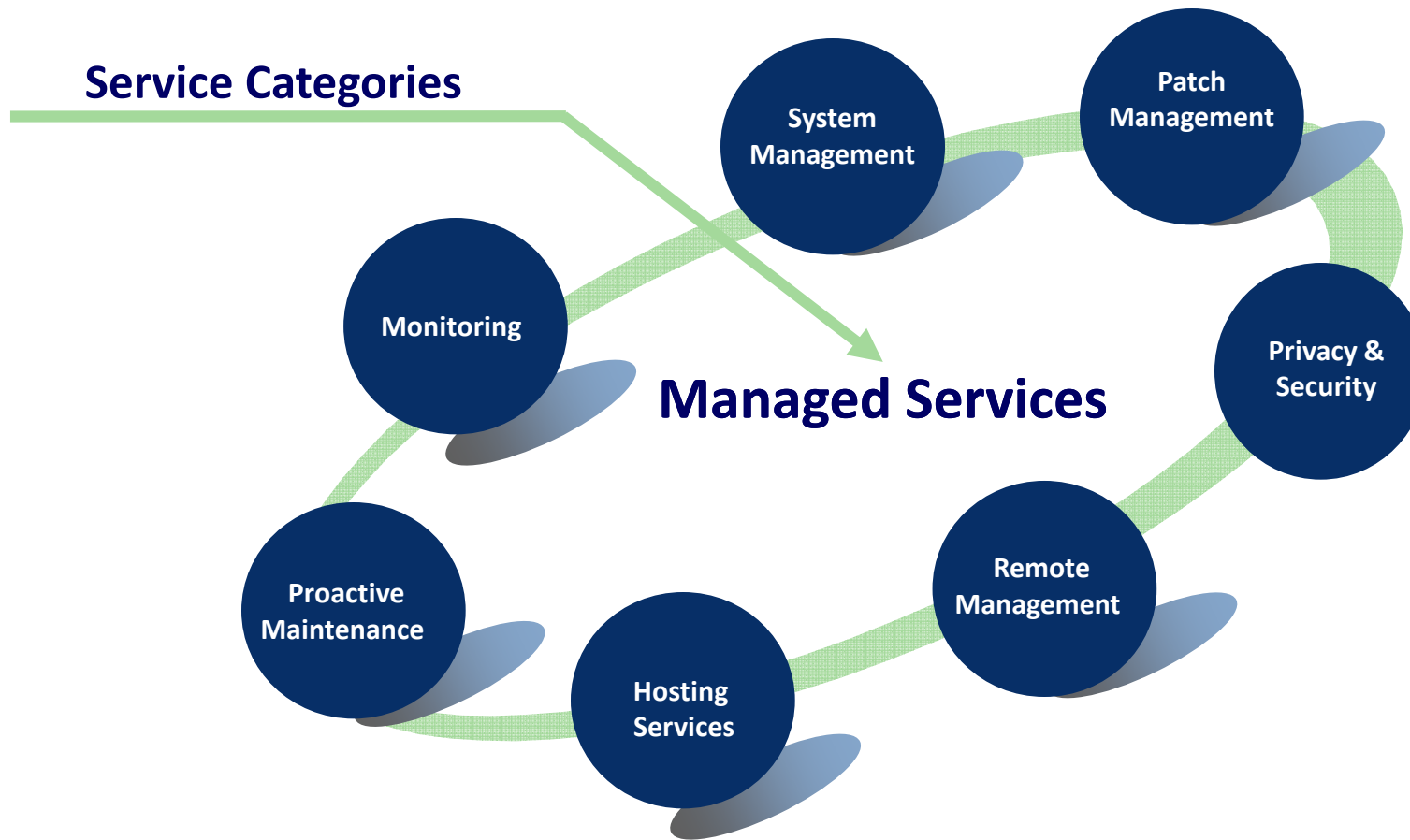
**A Complete Technology Solution**





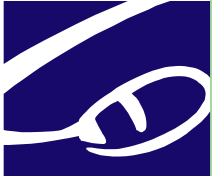


# What are the Back-Office Services?

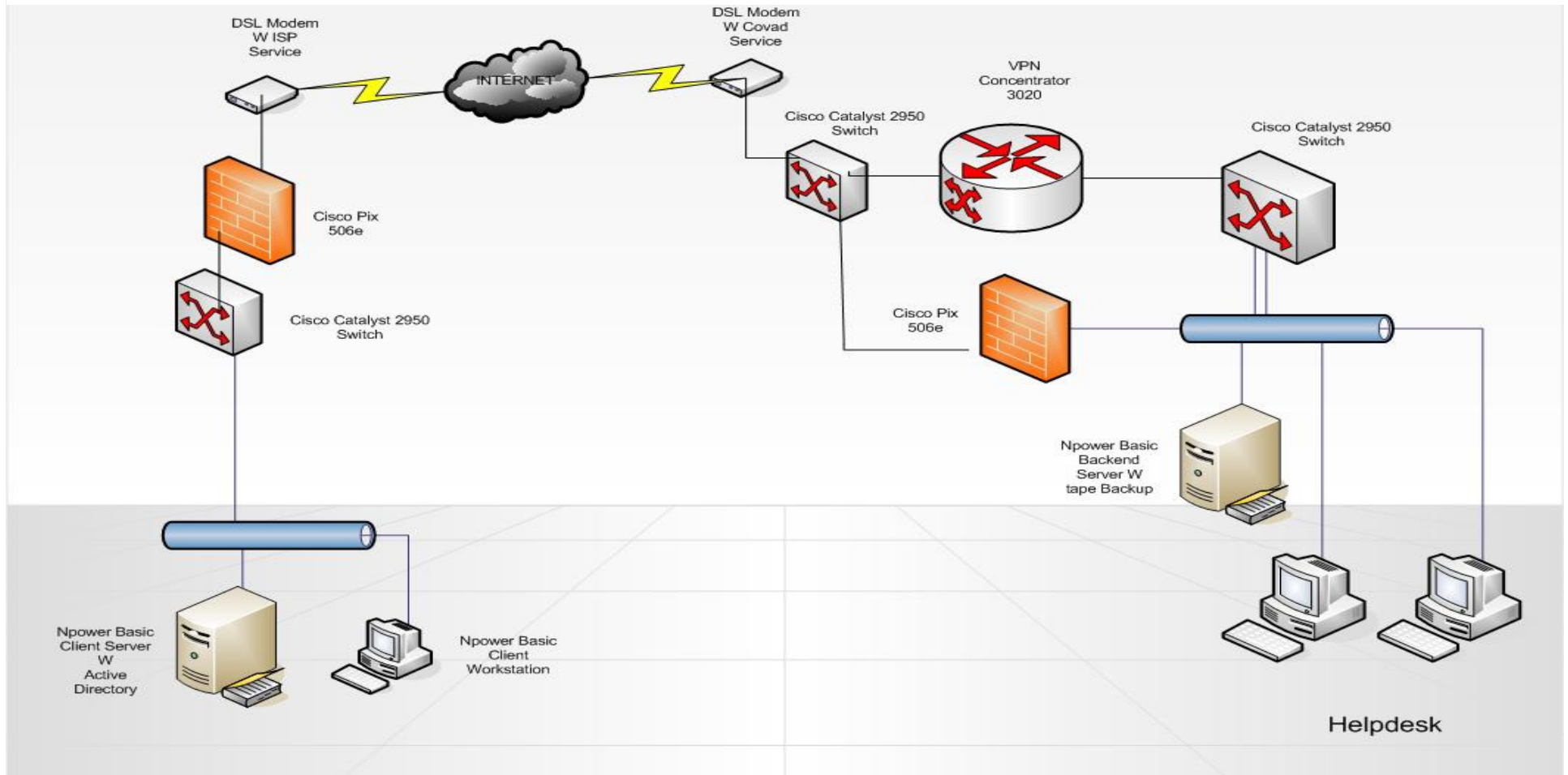


A Managed Services Solution Consists of Year-round Automated System Management, Patch Management and Updates, Monitoring, Remote Management, Application Deployment, Asset Management, Data Protection, Privacy – Anti-Spy, Anti-Virus, Anti-Spam and many other IT related activities, processes and policy applications.





# IT Basic Design





# Imagine



Reliable Technology.

Proactive Troubleshooting  
for your Computers.

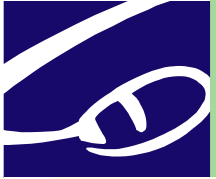
Not having to think about back-ups,  
antivirus updates, anti-spyware  
updates and software.

Having someone to talk to.

Working with a fellow nonprofit who  
'gets' what you do.

**Imagine all this and you are beginning to  
see the reality of NPower.**



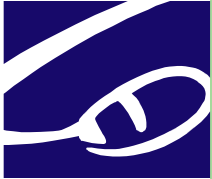


# NPower Services



- Affordable technology solutions
- Trusted, reliable support
- Allow staff to devote more time to mission
- A continuum of low-cost to no-cost technology help for nonprofits
  - Technology consulting
  - Workforce development
  - Technology education
  - Community resources
  - Referral services
  - Staffing





## Q & A

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